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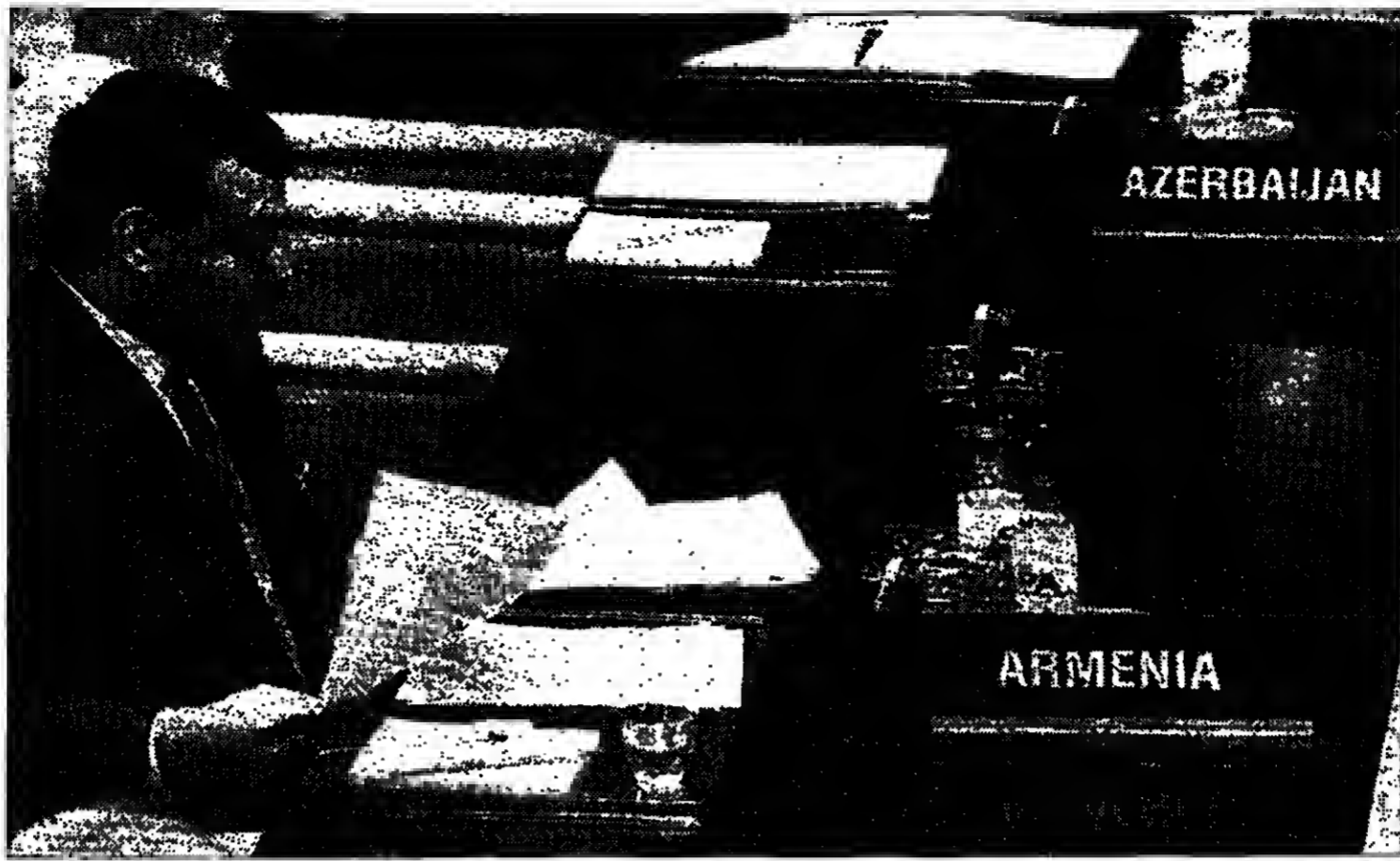
No. 33,913 11/92

PARIS, WEDNESDAY, MARCH 11, 1992

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Isolationism Has America In Its Grip Mood Hits as World Looks for Leadership

By David Hoffman Washington Post Service WASHINGTON — Domestic economic strains and the inward-looking mood of American voters are limiting the reach of U.S. foreign policy just as the rest of the globe is looking to the United States for leadership...



Foreign Minister Raffi Hovannisian of Armenia checking papers at the NATO meeting Tuesday in Brussels. His Azerbaijani neighbor arrived late.

NATO Welcomes Ex-Soviet States To New Council Military Partnership Seeks Truce in Armenian Enclave

By William Drozdiak Washington Post Service BRUSSELS — The NATO allies on Tuesday extended their reconciliation with former adversaries by welcoming 10 former Soviet republics into the North Atlantic Cooperation Council, a new partnership for military cooperation that already shows signs of evolving into a continent-wide security organization...

North Korean Ship Eludes U.S. to Reach Iran

By John Lancaster Washington Post Service WASHINGTON — A North Korean cargo ship believed to be carrying Scud missiles to Iran and Syria showed up at the Iranian port of Bandar Abbas on Monday after apparently giving the slip to U.S. Navy ships that had been ordered to intercept it...

Falling in Polls, Bush to Shift Strategy to Congress-Bashing

By Ann Devroy and Richard Morin Washington Post Service WASHINGTON — President George Bush plans to curtail his direct campaigning and recast his message to the American people next week in a national address that will serve as a new "line of demarcation" in his re-election quest...

'Penny-Ante Game' on Russia Nixon Assails Bush on a Lost Opportunity

By Thomas L. Friedman New York Times Service WASHINGTON — Former President Richard Nixon has sharply criticized President George Bush and Secretary of State James A. Baker 3d for what he calls the administration's pathetic support of the democratic revolution in Russia...



President Bush responding to Richard Nixon's criticism of his administration's policy on Russia.

Lenin's Corpse: From Communist Icon to Capitalist Trophy

By Michael Dobbs Washington Post Service MOSCOW — Americans determined to acquire the "ultimate conversation piece" have submitted bids ranging from \$1,000 to \$7 million for the corpse of Vladimir Ilyich Lenin, the founder of Soviet Russia...

Armenian Guerrillas Take Officers Hostage

By Fred Hiatt Washington Post Service MOSCOW — The former Soviet Army became further embroiled in the escalating conflict between Armenia and Azerbaijan on Tuesday when Armenian militants seized 10 officers and threatened to kill them unless the army turned over a huge quantity of arms and ammunition...

Turks' Attack on Kurds Unabated

ANKARA (AP) — Turkish planes on Tuesday attacked Kurdish guerrilla bases in northern Iraq for the second consecutive day, the government said. The planes bombed a Kurdish Labor Party camp of 13 tents located nine kilometers (five miles) from the Turkish border...

Sister of Gotti Informant Is Shot

NEW YORK (AP) — The sister of an organized crime defector who testified against a relative of John Gotti and may also testify against Mr. Gotti was shot and seriously wounded by masked gunmen Tuesday, the police said. Patricia Capazallo, 38, was shot in the neck and back as she sat in a car in Brooklyn.

Market information section including 'General News', 'Business/Finance', 'Dow Close', and 'The Dollar in New York'.

Afghan Uses Anti-Islamist Battle Cry to Draw Aid From U.S.

By Edward A. Gargan
New York Times Service
KABUL — Abandoned by his former benefactors in Moscow and a drift in the new politics of the region, Afghanistan's president has made an impassioned appeal to the United States to help his country become a bulwark against the spread of Islamic fundamentalism in Central Asia.

Then, with the final disintegration of the Soviet Union in December, Afghanistan's last source of assistance disappeared. General Najibullah found himself alone in the world and all but ignored.
In recent months, the UN peace plan has begun to show signs of life.
Pakistan, the principal benefactor of the Afghan guerrillas and the main opponent of Western arms to them, cut off its assistance in late January and said it was supporting the UN plan.

AMERICAN TOPICS

U.S. to Stop Issuing Israel-Only Passports
Under a mandate from Congress to end the practice of issuing passports valid only for travel to Israel, the State Department is abolishing geographically limited travel documents. The New York Times reports. Israel and South Africa have been the only two countries for which such passports were normally issued.



DIGGING OUT — A woman clearing off her car after 8 inches of snow fell in Denver. Other areas of Colorado were covered by 2 feet of snow as a blizzard swept the state on Sunday and Monday.

About People
General Electric's chairman, John F. Welch Jr., nicknamed Neutron Jack for his reputation of eliminating people while leaving buildings standing, is now preaching corporate pacifism. In the 1980s, Mr. Welch erased 100,000 jobs at GE, leaving 284,000. Now, he says in the company's annual report, "we cannot afford management styles that suppress and intimidate." Even

so, the old steel is still there, Mr. Welch makes clear. He writes that managers must trust and respect their workers and "open to ideas from anywhere." For GE "will part company with them if they cannot."

In urging Congress to mandate that films that have been shortened, colored or otherwise tampered with for television be clearly labeled as such. Given the objections of the television industry and civil liberties activists, such action is not considered likely. Mr. Scorsese underscored the meaning of scenes by compressing them. He showed how the closing moments of "Casablanca" had been compressed so that

Ingrid Bergman's poignant gaze when Humphrey Bogart says a farewell "Here's looking at you, kid," were merely a glance.
A thoroughbred currently racing on East Coast tracks is named Iseverybodyhappy. When the track announcer calls his name, the crowd roars in the affirmative.

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Lawyer Fails to Trip Up Mafia Informant's Story
By Arnold H. Lubash
New York Times Service
NEW YORK — A defense lawyer failed to shake the testimony of Salvatore Gravano that the four gunmen who killed the Mafia chief Paul Castellano all wore white raincoats and Russian fur hats.

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A Colonel Panovic of the Yugoslav Army, left, greeting Colonel Mohammed Abdel Cadar, head of a United Nations team that arrived Tuesday in Belgrade. Advance teams of the UN forces began preparing the way Tuesday for the deployment of 14,000 UN troops.

U.S. and EC Joining on Yugoslavia

Far Right Gains Momentum Among the Frustrated French

BRUSSELS — The United States and the European Community agreed Tuesday to coordinate policy on Yugoslavia and held out the possibility of completing diplomatic recognition of breakaway republics by early April.

A joint statement said the United States would give "rapid and positive consideration" to recognition requests by Croatia and Slovenia. The EC recognized them as independent in January.

The statement, issued after talks between Secretary of State James A. Baker 2d and EC foreign ministers, said the two sides would give positive consideration to recognition requests by Bosnia-Herzegovina and Macedonia once EC concerns about these were resolved.

Mr. Baker said at a press conference that it was the right moment for the two sides to coordinate their policies on Yugoslavia, given the imminent deployment of UN peacekeeping troops.

Washington Post Service

LYON — The national mood for his message has rarely, if ever, been more propitious. The French are fed up with the political establishment, angry over tales of corruption, nervous about rising immigration and worried about losing jobs and control of the nation's destiny.

Jean-Marie Le Pen, the leader of the extreme-right National Front, exudes confidence as he contemplates the kind of breakthrough in important regional elections this month that his party has been waiting to achieve since its birth two decades ago.

"The pendulum of history is swinging in our direction," he said. "For many years, world politics was dominated by notions like internationalism and socialist utopias. Now it is being shaped by concerns like order, nationhood and family."

Across Western Europe, voters have turned in growing numbers to the extreme right to express anxiety and insecurity about the future. More than anything, they seem to fear that their societies will not be able to sustain unprecedented levels of postwar prosperity and benefits against the hordes of have-nots from Northern Africa and Eastern Europe who are knocking on the door.

Alarmed by the resonance of Mr. Le Pen's message around the country, the Socialists have tried to galvanize a grumpy, disillusioned electorate with a frightening portrayal of a xenophobic demagogue who would force 4 million Arab and African immigrants out of the country under the guise of giving France back to the French.

Bernard Tapie, a Marseille tycoon and ally of President Francois Mitterrand who is running his Socialist-backed "Energy South" candidates against the Front in its southern stronghold, calls Mr. Le Pen "a reimagined Nazi" who will use any means to secure power if he does not win at the ballot box.

Prime Minister Edith Cresson has also lashed out at Mr. Le Pen and what he represents, saying that voters should remember what kind of country would result if his party achieved a significant role in regional and municipal institutions.

Under the pretext of ensuring civil order, socialism and conservative mayors alike have sought to prevent the National Front from using public halls for their rallies. Several meetings of the far-right party have been disrupted by protesters.

Mr. Le Pen has seized upon these incidents to depict himself and his party as victims of undemocratic forces who are trying to prevent the public from hearing his political message.

EUROPE: NATO Welcomes Ex-Soviet States in a Military Partnership

(Continued from page 1)

participate in military planning sessions. France is not expected to attend when defense ministers of the cooperation council meet next month to discuss the military implications of the plans approved Tuesday.

But Eastern representatives expressed satisfaction with the starting transition Tuesday toward close military cooperation, which will be accelerated as new funds are invested in building up the East-West security relationship.

"This was more than a meeting of erstwhile enemies," said the Russian foreign minister, Andrei Kozyrev. "Our countries now share

certain values as friends and may soon become allies in maintaining security."

The cooperation council was established by President George Bush and other NATO leaders at their summit meeting in Rome last November. It was designed to build new bridges with their old enemies while stopping short of offering full membership in NATO.

Some of the Eastern states are urging to be allowed in as full members of the alliance as quickly as possible in order to anchor their connection with the West. Czechoslovakia, Poland and Hungary have asked to be accepted, and President Boris N. Yeltsin of Russia said his

country's ultimate goal is to join NATO as well.

Mr. Wilmes, expressing a view that Mr. Baker later said he fully endorsed, declared that such a possibility was not being excluded but it was premature to discuss that step now.

The council's first meeting was held here in December when NATO foreign ministers were joined by their counterparts from the Soviet Union and eight East European states. Following the dissolution of the Soviet Union, all 11 former republics were invited to join the council except Georgia. It is expected to become a member later this year.

LENIN: Demon as Trophy

Time Out for Gorbachev On His Visit to Germany

(Continued from page 1)

given much thought to the problem of how to maintain the dead Bolshevik in the style to which he has become accustomed.

"I don't think my wife would allow me to keep Lenin at home," Mr. Bevil said by phone from Houston, where he works for an investment firm. "It wouldn't go with the furniture. Besides, our home is not big enough."

The top bid, \$27 million, came from an amateur historian in Minnesota who said he wanted to help the Kremlin raise "much-needed foreign currency." The author of the bid, whose name was withheld at the request of the Security Ministry, demanded a reply to his proposal in English "as neither I nor anyone I know speaks Russian." He could not be reached for comment.

BONN — Mikhail S. Gorbachev, the president without a country, has become a man without a watch — and the police are looking for an elderly German who they believe made off with the timepiece as the former Soviet leader was shaking the hands of well-wishers.

The police said Mr. Gorbachev's gold watch fell off his wrist as he mingled with crowds in Gutersloh in northwest Germany. A witness said he saw an elderly man pick up the timepiece and pocket it.

Mr. Gorbachev was in Gutersloh for talks with his German publishers, Bertelsmann. He arrived March 4 on an eight-day tour and has been enjoying a hero's welcome.

Perhaps nowhere else in the world is Mr. Gorbachev as popular as in Germany. Most Germans believe that without his help their country would probably still be divided.

"The Germans, and especially myself personally, have not forgotten and will never forget what Mikhail Gorbachev did for us," Chancellor Helmut Kohl said in his welcoming speech.

"I am happy to be here with my old partner and good friend Helmut Kohl," Mr. Gorbachev replied. "When I was thinking about making my first trip, I decided it should be to Europe, and when I thought of Europe, I knew that it must be to Germany."

The visit here is Mr. Gorbachev's first trip outside Russia since he lost power last year.

SCUDS: Cargo Ship Eludes U.S. Navy to Reach Iran

(Continued from page 1)

allowed to continue after declaring its cargo as steel and drilling equipment.

"But again, as is the case with the other ship, we can't be certain of what the cargo is," Mr. Williams said.

The failure of the navy to find the North Korean ship was puzzling. The Dae Hung Do had been spotted in the Indian Ocean last week, officials said, and tracked intermittently since then.

To reach the Iranian port, it had to pass through the Strait of Hormuz, as narrow as 32 kilometers (20 miles) in places and presumably readily monitored by spotter aircraft.

In addition to the Ingersoll, the navy has a five-ship carrier battle group between the Arabian Sea and the Gulf of Oman, which is just outside the Gulf.

"But again, as is the case with the other ship, we can't be certain of what the cargo is," Mr. Williams said.

Another U.S. military official, who asked not to be identified, said the Iran Salasam had been picked up by intelligence sources on March 2 as it steamed through the Strait of Malacca, which connect the South China Sea with the Indian Ocean.

Navy officials said this week that in addition to the Ingersoll, their assets in the region include U-2 surveillance aircraft and a five-ship carrier battle group between the Arabian Sea and the Gulf of Oman, which is just outside the Gulf. A Defense Department official, who spoke on condition that he not be identified,

said the navy had made at best a halfhearted effort to find the vessel.

"Had the tasking gone out to the admiral out there to muster all his assets and intercept this ship, then it would have been intercepted," the official said.

But another Pentagon official said the navy had made a sincere effort to find the vessel. "In the dark, if it's not emitting signals, these things can happen."

Not the 'Highest Priority'

Mr. Williams declined to characterize the inability to find the Dae Hung Ho at sea as "a failure," news agencies reported from Washington.

He argued that the search for the ship was not the "highest priority" for navy vessels in the region.

"We were aware of the ship, curious about where it was going, but there was a limit to what we could have done," he said.

U.S. officials say they have little authority to divert a vessel containing cargo bound for Iran or Syria.

Mr. Williams said U.S. officials "don't know for certain" what cargo the Dae Hung Ho was carrying, nor would he say whether it had begun to unload any cargo.

A senior Pentagon source said the vessel was "just sitting" in waters outside Bandar Abbas and had not begun to unload cargo.

The ship apparently hugged the coastline off the Strait of Hormuz to reach the Iranian port, Mr. Williams said.

"If the Dae Hung Ho was now sitting at a port in Iraq, I would consider that a failure," he said.

Elephant Trade Ban Sags Under Pressure

By T.R. Reid
Washington Post Service

KYOTO, Japan — The global ban on trade in African ivory and other elephant products seemed to be in danger Tuesday as southern African nations threatened to renew sales of elephant meat and hides to enhance their economies.

The threat came after delegates to the Convention on International Trade in Endangered Species rejected proposals to permit elephant-product trading by countries with weak economies but relatively large herds.

After it became clear that their effort to win global approval for controlled sales would be rejected, delegates from Zimbabwe, Botswana, Namibia and Zambia said they would "reconsider" their participation in the world trade ban.

"We had assumed that the countries that manage their elephants well would be rewarded," said a Botswana delegate, Ponsitsho Kediikiwe, speaking for the group. "This is not to be the case."

Therefore, he said "we will consider whether we should renew trading."

He added, "We have to consider the costs and benefits of staying in the treaty."

The nations had offered a compromise plan in which they would have respected the global ban on ivory if they were allowed to sell elephant meat and hides.

The decision not to relax current controls on elephant trade came after the United States announced that it would not support the southern African countries' proposal. As soon as the U.S. position was announced, it became clear that no change could pass.

The debate over the elephants was the most controversial item on the long agenda facing delegates to this global convention, which convened in Kyoto last week.

German Quits Politics Over Role In Executing Jews

POTSDAM, Germany — A prominent Eastern German politician quit politics Tuesday after admitting that he had taken part in the execution by firing squad of Ukrainian Jews in World War II.

Gustav Just, 70, announced he was quitting as deputy for the Social Democratic Party in the Brandenburg parliament "in order to avoid damage to the party."

On Monday, Mr. Just resigned as chairman of the committee writing the new state constitution. He admitted that, as a 20-year-old soldier in the German Army, he was part of a firing squad that executed six Ukrainian Jews in 1941. He said he had been following orders.

The Christian Democratic Union on Tuesday demanded the resignation of the state justice minister and the state premier, accusing them of having long-standing knowledge of Mr. Just's past.

Justice officials say Mr. Just can no longer be prosecuted because the 1941 shootings fell under a statute of limitations. (AP, Reuters)

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Proposed

By Joseph F. ...
PARIS — For once, a point of ...
Washington is failing to come ...
available for the space-based ...
GPALS that offers a ne ...
space involving threats of ...

Pentagon

By Patrick E. Tyley
New York Times Service

WASHINGTON — The Pentagon ...
policy statement that foresees a one ...
world in which no collection of al ...
is allowed to become a rival refo ...
power in the American military ...
to define a robust mission for ...
post-Cold War era.

Should this draft policy be issued ...
to the military chiefs under Defens ...

NEWS ANALYSIS

Did Cheney's signature, the Bush ...
the will find itself at odds with a ...
international allies and with the ...
empire that courts Congress.

And perhaps more problematic ...
present, the Pentagon vision of the ...
debate within the R ...
Pentagon, Mr. Buchanan, who is e ...
President George Bush for the no ...
led one at the Pentagon prescrip ...
United States' becoming the ultimate ...
of world security.

"This is a formula for endless ...
intervention in quarrels and war ...
interest of the United States is ...
great," Mr. Buchanan said Monday ...
study a blank check given to all ...
friends and allies that we'll go to ...
the secret."

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Proposed Global Missile Shield Can Track Anything, but Lacks Political Vision

By Joseph Fitchett
International Herald Tribune

PARIS — For once, a point man for the Bush administration agreed with his French hosts: Washington is falling to come up with a cogent rationale for the space-based anti-missile system, GPALS, that offers a technological fix against mounting threats of nuclear proliferation.

Issues of Cost and International Cooperation Make U.S. System a Tough Sell

Winding up a tough day of talks trying to sell the U.S. idea last month in Paris, Henry Cooper, the American delegation leader, candidly conceded that evening at a dinner party that any hardware problems are dwarfed by the political challenges facing GPALS, or Global Protection Against Limited Nuclear Strikes.

A less ambitious version of the Reagan administration's controversial Strategic Defense Initiative, GPALS offers a quantum leap beyond the Patriot missiles that operated against Iraqi Scuds during the Gulf War.

likely to threaten the West in terms of ballistic missiles that GPALS can counter? The system offers little defense against short-range missiles fired from submarines and none against a nuclear "suicide" bomb smuggled into cities.

New Nuclear Politics

Officials in these countries say that proliferation, far from being simplified by superpower cooperation, turns out to require a complex package whose elements can be hard to reconcile — for example, defensive weaponry may complicate new kinds of arms control.

That is not all, according to Representative Les Aspin, Democrat of Wisconsin. He urged officials at a recent international meeting in Germany to decide urgently if — and if so, in what circumstances — they would intervene militarily against a country suspected of illicitly building nuclear weapons.

Already opponents denounce the system as a new form of Western intervention that protects the existing nuclear monopolies and denies developing countries any chance of acquiring credible missile systems for their own security.

State Dept. Disputes CIA's Korea Stance

By Elaine Sciolino
New York Times Service

WASHINGTON — The State Department is disputing the assessment by Robert M. Gates, the director of central intelligence, that North Korea is on the verge of becoming a nuclear power, according to senior Bush administration officials.

The issue, which has been debated vigorously for months, but out of the public eye, was disclosed after Mr. Gates told the House Foreign Affairs Committee late last month that North Korea could have a nuclear weapon within a few months to a couple of years.

Countries considering the nuclear option might be dissuaded if they had to reckon with a global defense system that astronomically multiplied the costs of building a strike force and the risk that the huge investment would prove worthless.

Fears Grow in Japan Over Missile's Reach

Agence France-Presse

TOKYO — There is growing concern in Japan about North Korea's secret development of a new missile capable of reaching western Japan.

The new missile, called the Rodong No. 1, has a 1,000-kilometer (600-mile) range and is capable of striking the cities of Osaka, Kyoto, Hiroshima, Fukushima and Kagoshima, according to a Japanese military source.

President François Mitterrand of France is liable to be discouraged if they had to reckon with a global defense system that astronomically multiplied the costs of building a strike force and the risk that the huge investment would prove worthless.

Pentagon's 'No Rivals' Plan Draws Fire

By Patrick E. Tyler
New York Times Service

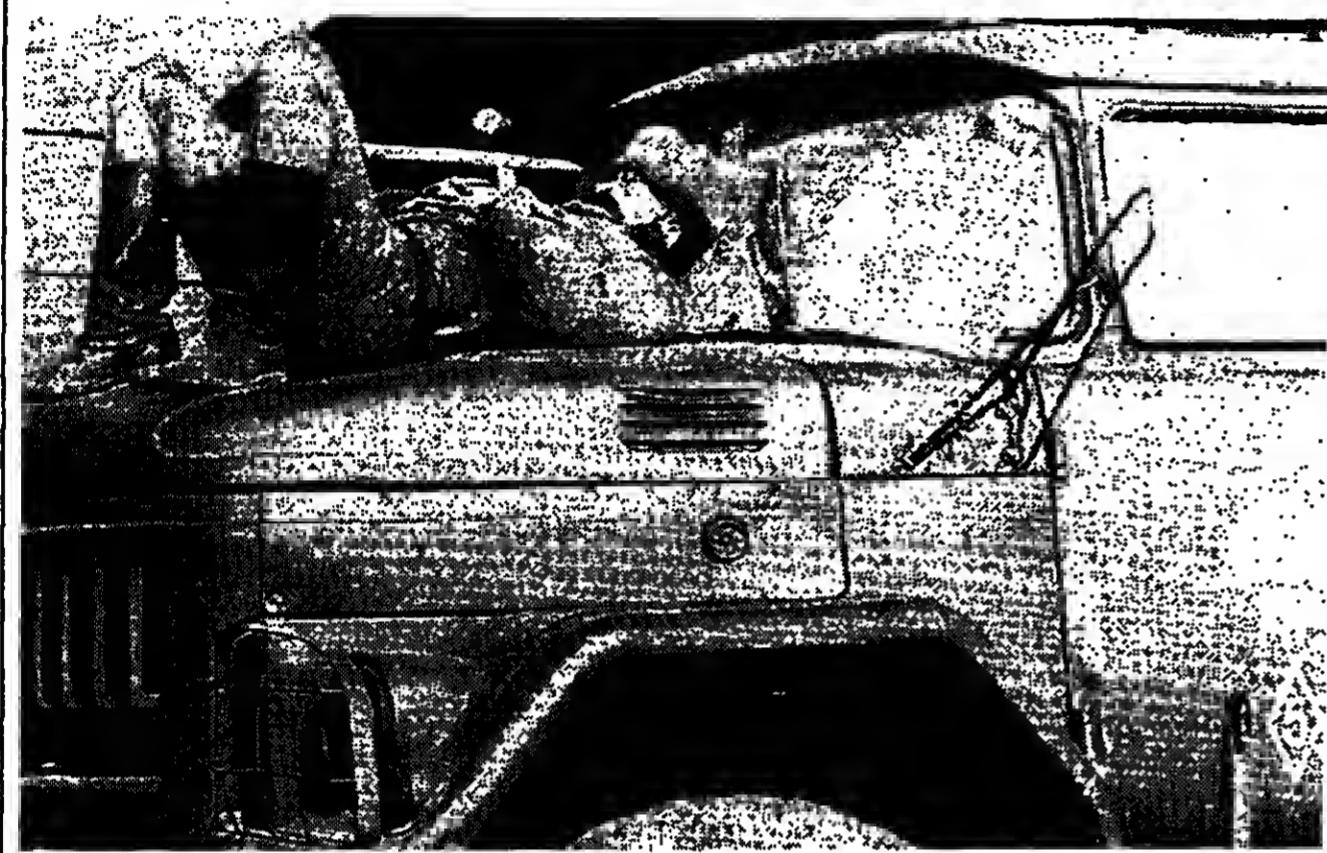
WASHINGTON — The Pentagon's draft policy statement that foresees a one-superpower world in which no collection of allies or foes is allowed to become a rival reflects intense pressure in the American military establishment to define a robust mission for itself in the post-Cold War era.

Democratic reactions to the draft document were as strong as those from Mr. Buchanan on the Republican right, indicating that Mr. Buchanan's opposition converges with Democratic calls for greater reductions in military spending and for greater collectivism in international security.

In 1986, the plan went nowhere because the two leaders quarreled over SDI. But that commitment, which alarmed the allies at the time, today would give the West strong leverage in pressuring other countries to renounce these long-range weapons — perhaps by forging a treaty on missiles similar to the Nuclear Nonproliferation Treaty.

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PRE-SPRING WARM-UP — A soldier of the Commonwealth of Independent States napping in the sun Tuesday in Weimar, Germany, while waiting for his truck to be loaded. Troops of the former Soviet Union continue to pull out of Eastern Germany.

State Dept. Disputes CIA's Korea Stance

By Elaine Sciolino
New York Times Service

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News Analysis

Dick Cheney's signature, the Bush administration will find itself at odds with a number of its international allies and with the Democratic majority that controls Congress. And, perhaps more problematically for the president, the Pentagon vision of the new U.S. role sharpens the debate within the Republican Party.

"This is a formula for endless American intervention in quarrels and war when no vital interest of the United States is remotely engaged," Mr. Buchanan said Monday. "It's virtually a blank check given to all of America's friends and allies that we'll go to war to defend their interests."

Across

- 1 N.F.L. game interval
- 5 Butrush
- 10 Noted Israeli diplomat
- 14 Seed covering
- 15 Virginia willows
- 18 Riviera resort
- 17 Start of a quip
- 20 Wound, in e way
- 21 Lodged
- 22 Serranid fish
- 24 Pauline's problems
- 27 Place that has had its day
- 28 Anagram for maid
- 29 Name of a black police van
- 30 Kimono sash
- 33 Quip; Part II
- 37 Eosin or indigo
- 38 den Linden
- 39 Division word
- 40 Stage direction

Down

- 1 Beldam
- 2 Son of Zeus
- 3 Speech defect
- 4 Tooth-savvy compound?
- 5 Moves obliquely
- 6 Barmy or Waters
- 7 Geste
- 8 Merry, in Metz
- 9 Baltic country
- 10 Follows
- 11 Ily's partner
- 12 Pines
- 13 Require
- 16 Carot
- 19 Heraclitus was one
- 23 Doctor, hopefully
- 24 Receipt stamp
- 25 TV award
- 28 "The — was on the spray": Hardy
- 27 Spud
- 29 Weds
- 30 Holds title to
- 31 — noie
- 32 Something to pump
- 34 "Crocodile"
- 38 Syst. for sharing ideas
- 36 Gagged
- 40 Or's companion
- 41 Look good on
- 42 Collar for a scholar
- 43 Turnip's lack
- 47 952, lo Cato
- 48 Thighbone
- 49 W.W. II battle town
- 49 Thel girl, lo Gigi
- 51 Sereglio segment
- 52 What Sen. Norris gave

Solution to Puzzle of March 10

A crossword puzzle grid with the following words filled in: CUSP, WREST, GLEE, ANTE, HANOI, RELY, STOCKINGUP, EASE, KIN, ERG, SPHERES, SEEGER, HELEN, ALIKE, ELBOWS, CHER, NELL, LEVISE, PAST, GAMES, RENT, ALTER, NEAT, ENDS, STAROF, THANT, SARAS, TASSEL, BRANDED, AUG, ELO, LAVA, NIGHTSHIFT, AMOK, CEASE, UNIT, BANE, HUGOS, GENE.

ACROSS

- 1 N.F.L. game interval
- 5 Butrush
- 10 Noted Israeli diplomat
- 14 Seed covering
- 15 Virginia willows
- 18 Riviera resort
- 17 Start of a quip
- 20 Wound, in e way
- 21 Lodged
- 22 Serranid fish
- 24 Pauline's problems
- 27 Place that has had its day
- 28 Anagram for maid
- 29 Name of a black police van
- 30 Kimono sash
- 33 Quip; Part II
- 37 Eosin or indigo
- 38 den Linden
- 39 Division word
- 40 Stage direction

DOWN

- 1 Beldam
- 2 Son of Zeus
- 3 Speech defect
- 4 Tooth-savvy compound?
- 5 Moves obliquely
- 6 Barmy or Waters
- 7 Geste
- 8 Merry, in Metz
- 9 Baltic country
- 10 Follows
- 11 Ily's partner
- 12 Pines
- 13 Require
- 16 Carot
- 19 Heraclitus was one
- 23 Doctor, hopefully
- 24 Receipt stamp
- 25 TV award
- 28 "The — was on the spray": Hardy
- 27 Spud
- 29 Weds
- 30 Holds title to
- 31 — noie
- 32 Something to pump
- 34 "Crocodile"
- 38 Syst. for sharing ideas
- 36 Gagged
- 40 Or's companion
- 41 Look good on
- 42 Collar for a scholar
- 43 Turnip's lack
- 47 952, lo Cato
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- 49 W.W. II battle town
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INTERNATIONAL Herald Tribune

Iraq Is the Place to Start

Iraq is now going to try to persuade the Security Council to relax its ban for forbidden weapons. It is crucial that the Security Council, in response, demonstrate the stamina and determination to complete the job it has begun.

'America Only' Is Silly

In the wake of the Cold War, George Bush calls for America to take its place in a new world order, the Republican challenger Patrick Buchanan insists on a policy of America first — and the Pentagon now proclaims a global defense policy of America only.

Courage to Make Peace

Menachem Begin, who died on Monday, transformed Israel in two important ways. Fifteen years ago he led the right-wing Likud bloc to triumph, ending 30 years of Labor Party dominance and shifting the balance of Israeli politics.

A Historic Figure

It was difficult, even at moments when he was at his most veering and pugnacious, not to harbor a certain admiration for the integrity of Menachem Begin. In an age — was there ever any other? — when so many politicians changed position in the slightest breeze, the former Israeli prime minister represented a rare constancy and devotion to personal principle.

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A Sickness That Real Leaders Would Be Curing

By Jonathan Yardley

WASHINGTON — The cover of Sports Illustrated recently ran a headline next to a picture of Kristi Yamaguchi, the figure skater who had just won an Olympic gold medal, stating: "American Beauty." A week later, a headline in Business Week said: "To Marketers, Kristi Yamaguchi Isn't as Good as Gold."

ball are trying to figure out a way to keep the Japanese firm of Nintendo from gaining control of the Seattle Mariners without, in the process, coming right out and admitting that their opposition is based on race.

Europeans Need the New Turkey, Starting Now

By Giles Merritt

ANKARA — For nearly 30 years, Turkey has played lovelorn suitor to the European Community's reluctant bride. Over the coming years it could be the Community's turn to do the wooing.

determined effort to join the Community during the 1990s. He believes that by 1996 Turkey should enter into a "customs union" with the Community, even though Western Europe's more competitive industries might devastate the Turkish economy.

Here Comes a Nordic Invasion of Unwary Europe

By Max Jakobson

HELSINKI — Finland is about to join Austria and Sweden on what is called the "first train" of new applicants heading for membership in the European Community.

substance of Finland's foreign policy has been adjusted to fit membership in the Community. The adjustment in economic policy that lies ahead will be more painful.

1991 by 10 percent, making Germany Finland's principal trading partner. The devaluation of the mark and a wage-stabilization agreement reached between unions and employers in the automotive industry of Finland have provided the competitive edge of Finland's industry.

Arms Sales: Insecurity Council

By Natalie J. Goldring

WASHINGTON — The leading arms-exporting countries — the five permanent members of the United Nations Security Council — have learned little from their experience with Saddam Hussein.

A more substantial indicator of success would be actually postponing or canceling a sale. The proposed F-15 deal is a good test case for the Security Council and the United States.

In particular, the United States must insist on a decision to ensure that a decision to forgo the sale will not immediately be followed by a Saudi-British deal. This happened in 1988, when the Saudis circumvented congressional resistance by agreeing to deals with Britain.

The writer is deputy director of the British American Security Information Council, a security research organization. She contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Memphis Lynching MEMPHIS, Tennessee — An organized mob of 75 persons gained access to the Shelby County Jail early yesterday [March 9] and secured three negro prisoners, whom they took up the river and shot. The bodies of the dead men were found at daybreak. They were ringed by a mob which on Saturday night ambushed four Deputies who were arresting two men charged with assault. Twenty-seven people were arrested and locked up but the mob only so- lected the leaders, dragged them out and marched them to the spot where they were shot.

1917: Arms Overboard THE HAGUE — Dutch authorities informed the captain of the British steamship Princess Mella, which entered Dutch waters on Thursday [March 8], that the vessel, being armed, would be interned as a warship. The steamer was guarded that

night and the next day the captain had his guns and munitions thrown overboard. He was then allowed to continue his voyage. The Government states its decision is in accordance with its neutrality declaration that all armed vessels would be considered warships and would not be authorized to enter Dutch waters except in cases of extreme danger.

1942: War Atrocities LONDON — A grim picture of atrocities committed by the Japanese Army at Hongkong was presented to the House of Commons today [March 10] by Anthony Eden. The Foreign Secretary declared, "The Japanese claim that their forces are animated by a lofty code of chivalry is a nauseating hypocrisy." He said the Japanese perpetrated barbarities against their military prisoners and the civilian population. Officers and men of the British Army were bound and bayoneted; women were raped and one district was declared a brothel.

Making The Sa

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IN MONACO

OPINION

Making Candidates Face The Saddam Question

By A. M. Rosenthal

NEW YORK — Even before he is sworn in, the man who wins America's presidential election will have to face for himself the most important question of his term. So it was put to all the candidates: "Should the U.S. take further steps to topple Saddam Hussein?"

ON MY MIND

did not answer the questionnaire at all. But only Paul Tsongas identified the heart of the Saddam question straight on: nuclear weapons. Then he gave a straight-on answer.

Of course, there are other issues. For instance: Every day Saddam survives he kills more of his people. A UN report says his regime has racked up hundreds of thousands of victims — murdered, tortured, forever missing or exiled to slow death. But nations do not take action against mass murder. We know that. There has always been so much around.

A Town Forsaken: The Killing Ground in Karabakh

By Thomas Goltz

BAKU, Azerbaijan — Until two weeks ago, Khejaly was just another run-down town, hardly worth a second look. It did have one distinguishing mark: It was a community where Azerbaijani Muslims lived inside the Nagorno-Karabakh enclave, whose Christian Armenian majority wants to secede from Azerbaijan, which holds administrative control.

Now Khejaly is notorious. During a paramilitary assault by Armenians that began on Feb. 25, many people from the town were killed, and the world has taken a look at Khejaly. Much has been reported about what happened, much that is contradictory. But I know about Khejaly. I went there twice before the assault, in September and again in January. I found the townfolk preoccupied with fear that death was closing in on them and they had no exit.

Khejaly sprawls on the plain between the eastern tip of the Karabakh mountains and the capital, Stepanakert. It controls access to the enclave's airport. It was not so much a real town as a series of neighborhoods, defined by mud or gravel roads cutting between clusters of two-story houses with privies set in little back gardens. A small river and shallow canals meandered through it.

"Downtown" was a few unstocked shops and four unattractive local government buildings with outdoor wells. In September construction work was in progress, but when I went back two months ago all work had stopped. There were no bricks or mortar or faith in the future to keep building.

By day, people just stood in small knots in the muddy lanes — waiting. By night they huddled around candles in their houses, listening to the gunfire as a garrison of 63 security men tried to hold Khejaly's periphery while Armenian militiamen crept ever closer. The past events and the security risks had one common thought: They felt they were doomed and spoke openly of it.

"It is the [Azerbaijani] government," Alef Hadiev, the de facto commander of the town's defenders, told me in January. "Baku could solve this business in five days if it wanted to, but the old Communist mafia just wants it to go on and while they loot the country. If you write that and attribute it to me, I will deny it. But it's true." Now that he is dead, I feel that I can quote him. Most of the people I met in Khejaly are also dead or missing. The list includes my hosts the last night I was there. They predicted their fate.

"The Armenians have taken all the outlying villages, one by one, and the government does nothing," Balakish Sadikov said then. "Next they will drive us out or kill us all," said his wife, Dilbar. The Sadikovs are both dead, as are their three sons and two of their daughters.

Many others are dead as well. A controversy rages between the Armenian government in Yerevan and the Azerbaijani authorities over how many died and in what circumstances. The number of victims probably will never be known. But grisly videotapes and still photographs taken in recent days in and around Khejaly and displayed by the Azerbaijanis here in Baku make clear to me that many citizens of Khejaly are dead.

First established as a service center for the Stepanakert airport, Khejaly had swollen over the years of disorder to about 6,000 residents, twice its normal size. The population was heavily Azerbaijani — permanent townfolk, refugees from elsewhere in Karabakh and also from Armenia. Among them were about 75 families of Meskhetian Turks, expelled from Uzbekistan where they had been living ever since 1944, where they had been sent after Stalin expelled them from their native Georgia for allegedly sympathizing with the Nazis during World War II.

Some persons I have interviewed say they witnessed the assault on Khejaly and claim that Interior Ministry forces assisted the attack with artillery and armored vehicles. From mid-December onward, Khejaly could be reached only by civilian Mi-8 helicopters from Agdam airfield. It was aboard one of these, designed to carry about 25 passengers, that I made my last journey to Khejaly on Jan. 8.

The helicopter was packed with about 50 men, women and children, one carrying a canary in a cage. There were also food supplies, several boxes of munitions and a rusted 70mm cannon that I was told had been bought from an Interior Ministry garrison in Azerbaijan. The weapons were for the 33 soldiers and 30 airport security guards who made up the town's trained fighting forces. Most of the passengers said they were returning because the Baku government had offered no support after they reached Agdam as refugees. Better to return home "to die in Karabakh" than beg in the streets, they said.

Mr. Goltz is a writer living in Baku. He contributed this comment to The Washington Post.

MEANWHILE

LETTERS TO THE EDITOR

SOS Armenians

Since 1894, the Armenians have had more than their share of genocide — about 2 million killed. It is imperative today to remember Hitler's words to his military commanders at Obersalzberg on Aug. 22, 1939, before the invasion of Poland: "Who still talks oowadays of the extermination of the Armenians?"

Regarding the report "Neofascist Granddaughter Says Proudly: 'I'm a Mussolini'" (Feb. 25): The article says that Mussolini was "lynched by fellow Italians." All historians agree that he was shot and killed by an official resistance group under orders from the Military Command of the Comitato di liberazione nazionale Alta Italia (CLNAI). Whether right or wrong, it was not a lynching, it was an execution.

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Arms Sales Insecurity Council
By Natalie J. Goldberg
WASHINGTON — The five permanent members of the United Nations Security Council have agreed to a new arms trade regime. The only effective way to curb the arms trade has been the development of a new international regime. The only effective way to curb the arms trade has been the development of a new international regime. The only effective way to curb the arms trade has been the development of a new international regime.

1992

The World's Rendezvous With Europe

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Flurry of Alliances Points Way to Future Advances

In the world of information technology, the emphasis is now on "downsizing," but there are still plenty of opportunities left in multimedia products, software, open systems and the underdeveloped markets of the former Eastern bloc. With margins slipping and profits tumbling, alliances rule the day.

A recent IDATE (European Audiovisual and Telecommunications Institute) study shows a \$318-billion world market split equally between IT equipment and services in 1991. But with the software market growing by 18 percent annually, nearly twice the rate of hardware, the report predicts a \$680-billion services market versus only \$350 billion for hardware by the end of the decade.

At present, personal computer margins are paper-thin, and ever-smaller systems pack ever-more power into

three of the machines, sells only one in eight.

Faced with increasing competition on all fronts, few companies can continue to cover the entire product spectrum. Rather than driving for size, most players are engaged in trans-Atlantic trade-offs.

The trend first emerged in the United States last June, when IBM bought into Wang's business but, rather than taking over the company, helped refinance it as a ready-made outlet for re-labeled IBM products.

Wang, once an industry leader in its own right, is by no means the only company to be experiencing difficulties. This January, after one of the toughest years in the company's history, IBM declared its first-ever annual loss. With sales down 8 percent to \$64.8 billion, the company went into the red to the tune of \$2.8 billion.

Pacts promise renaissance in the computer industry

Increasingly open networks. The industry's traditional money-makers, larger systems and mainframes, are meanwhile bracing themselves for the next wave of downsized networks.

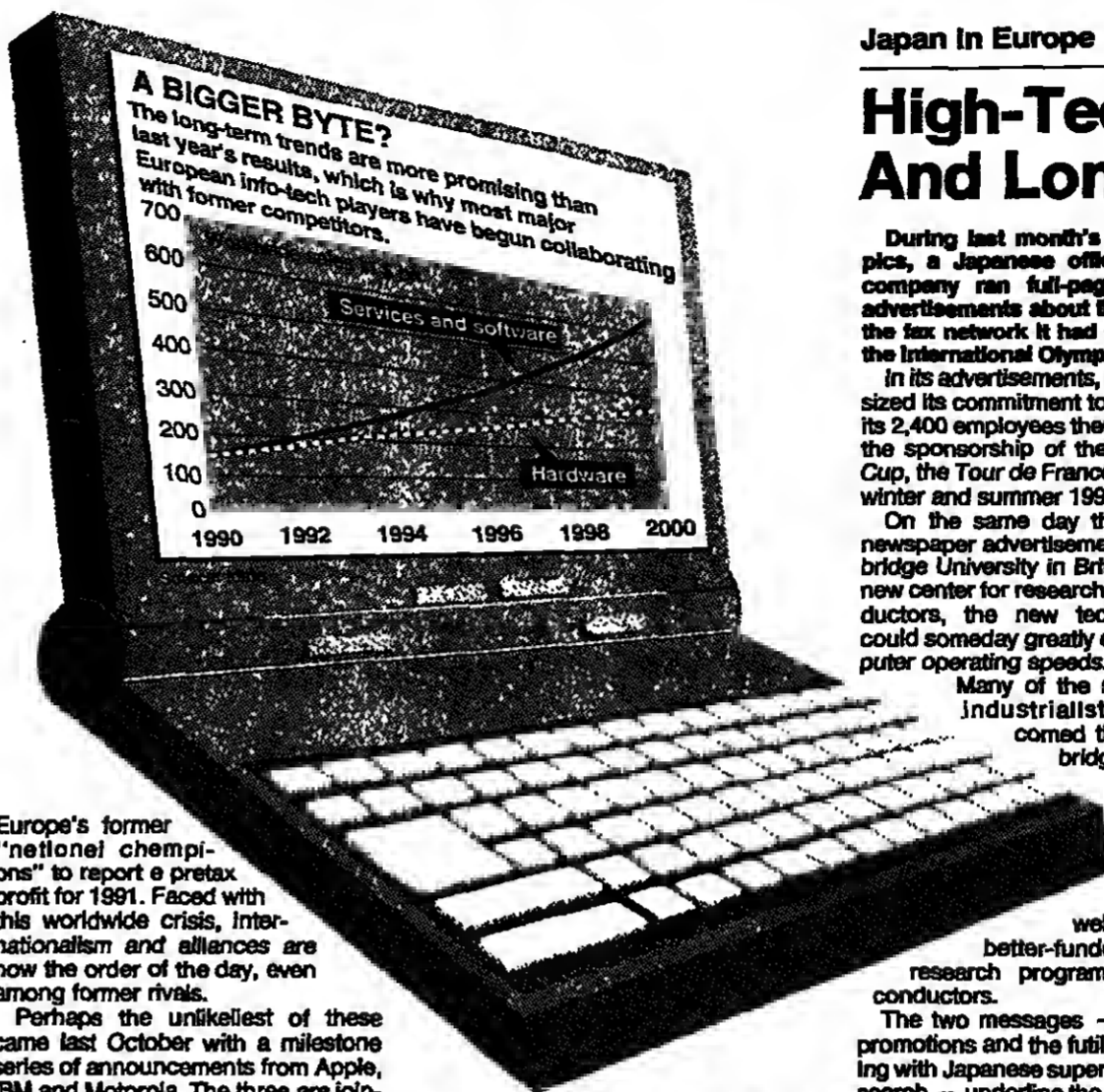
Built around high-powered workstations rather than mainframes or even minicomputers, these networks will be driven by extra speed RISC (Reduced Instruction Set Computing) microchips and multitasking systems software.

RISC-type chips are already in limited use, but Toshiba expects its current 11-percent share of the 32-MB microprocessor market to nearly triple by 1995.

Mid-range systems will soon feel the squeeze as well. IBM and DEC have established a 25-percent world market share of this sector between them, while Europe, which buys one

In Japan, flagging demand recently forced Toshiba to revise its profit forecast downward by nearly half, to 70 billion yen (\$546 million). Hitachi expects pretax profits to be significantly lower than anticipated, while Sony recorded a loss of 20 million yen for the year ending March 1992. Also in February, Japan's personal computer industry reported a 17-percent drop in sales for the previous quarter and predicted annual sales would be down for the first time ever.

The story is the same in Europe, from Amstrad — which just posted its first-ever pretax loss — to the French industry flagship Bull. Siemens, the German powerhouse, is still struggling to assimilate Nixdorf (but has the chance to expand east). Even though Olivetti has eliminated over 10,000 jobs, its losses continue to climb. ICL, which along with Finland's Nokia has been snapped up by Fujitsu, will probably be the only one of



Europe's former "national champions" to report a pretax profit for 1991. Faced with this worldwide crisis, internationalism and alliances are now the order of the day, even among former rivals.

Perhaps the unlikely of these came last October with a milestone series of announcements from Apple, IBM and Motorola. The three are joining forces to develop a new generation of powerful personal computers using RISC technology, cooperate in developing advanced systems software, tie their products together in open systems networks and swap know-how to build audiovisual applications.

"These agreements are the foundation for a renaissance," says John Sculley, Apple chairman and chief executive officer. "We're building new

foundation technologies that will be a framework of innovation across a vast array of industries."

Hot on their heels, Toshiba and Siemens announced in November that they would tie up to develop RISC microcomputers based on technology developed by MIPS Computer Systems in the United States. This move could eventually erode U.S. micro-

Continued on Page 11

Japan In Europe / Here to Stay

High-Tech, Low Margins And Long-Term Investment

During last month's Winter Olympics, a Japanese office-automation company ran full-page newspaper advertisements about the success of the fax network it had developed for the International Olympic Committee.

In its advertisements, Ricoh emphasized its commitment to Europe, from its 2,400 employees there to its role in the sponsorship of the rugby World Cup, the Tour de France and both the winter and summer 1992 Olympics.

On the same day that the Ricoh newspaper advertisements ran, Cambridge University in Britain opened a new center for research on superconductors, the new technology that could someday greatly enhance computer operating speeds.

Many of the scientists and industrialists who welcomed the new Cambridge center also noted that it

was probably too little and too late to challenge well-established, better-funded Japanese research programs on superconductors.

The two messages — Ricoh's fax promotions and the futility of competing with Japanese superconductor research — underline the scope of Japanese influence on information technology in Europe. From basic consumer products to "big science," Japan and Japanese companies are having a profound impact on European IT.

Lagging behind both Japanese and U.S. companies in financing and technology in the 1980s, European computer manufacturers were slow to look away from their cozy national markets to the new global competi-

tion. By dominating semiconductor manufacturing and taking the initiative in new technologies, Japanese firms became much more adept than European companies in getting new products to the European market. Toshiba, for instance, seized the lion's share of a booming new market by introducing the first laptop computer to Europe in 1985.

At the top of the information technology market, Japanese companies were willing and able to accept lower profit margins to fill contracts from big customers for open systems rather than the more limited, proprietary systems that European companies developed with the hope of locking up higher margins in their home markets.

Today, Japanese companies say they are no longer competing with European companies in Europe; they are competing with IBM and other big U.S. mainframe makers. To survive, a number of European companies have been taken over by or formed other types of strategic alliances with Japanese firms.

In Germany, BASF's small computer affiliate was struggling until it linked with Hitachi to form the thriving Compaq Informationssysteme. Mitsubishi took over Apricot, the British manufacturer. And Toshiba and Siemens last autumn agreed to cooperate in developing and marketing microprocessors.

Perhaps the most significant Japanese IT takeover in Europe came in November 1990 when Fujitsu paid \$1.4 billion for 80 percent of ICL, the last British full-range computer and IT company.

Fujitsu control allowed ICL to stop worrying about research and development and concentrate on marketing. Despite being ostracized by the hand-

Continued on Page 11

The International Herald Tribune is honored to welcome these world-renowned companies as sponsors of its 1992 series.

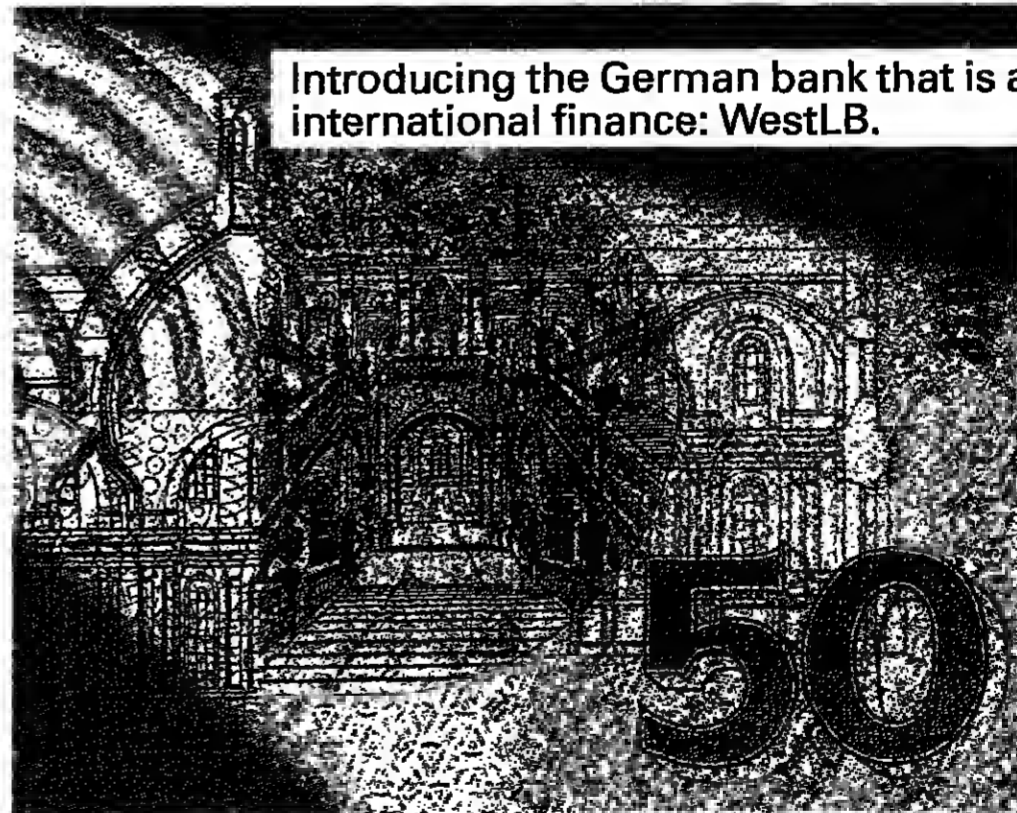
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The Westdeutsche Landesbank

In Touch with Tomorrow
TOSHIBA

INTERNATIONAL
Herald Tribune

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The Art of PARTNERSHIP



Lacquered writing box (suzuribako) depicting women gathering tea leaves, 19th century. Toshiba Gallery of Japanese Art, Victoria and Albert Museum, London.

They say in the East that tea is the most common possession of the people. For centuries, people have gathered together to plant, grow and drink tea—and enjoyed, in the process, communication, harmony and rapport.

For over 20 years, Toshiba too have joined hands with communities in Europe to cultivate new ideas and technologies.

As one example of this collaboration, we're working in France with Rhône-Poulenc S.A. to develop advanced photocopiers, and with Thomson Electromenager S.A. and AEG Hausgeräte AG to make microwave ovens.

We've also teamed up with Siemens AG of Germany to produce customised integrated circuits.

And jointly with Cambridge University in the U.K., we're pursuing basic research in semiconductor physics at the Toshiba Cambridge Research Centre.

Thanks to these and other partners, Toshiba's organisation in Europe has grown to 37 companies managed and staffed by 5,000 local employees.

Together, we're also breaking new ground in other fields like information systems, medical equipment, telecommunications and energy.

With so many hands to count on, work will be lighter. Progress will be smoother.

And the harvest we share, always more fruitful.

In Touch with Tomorrow
TOSHIBA

19

Data-Bank Sec

Pirates Europe

New organization
encouraged professionals
problem of data security.
One aspect of it,
costs \$6 billion a year.
According to a "consensus"
by attorney Bradford
at the moment of
prosecution of 50 software
infringement cases in
tries.

These lawsuits are
well-known and respect
that lead "copied" pro

Software piracy Europe \$6 billion

operating systems ran
chasing the program
Smith's client, the soft
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How effective are the
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suit for copyright infrin
legal." Mr. Smith, an
law firm of Covington &
"Right after that, our m
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percent of all software
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From Jan. 1, 1993,
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Other crimes associa
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Research and Dev

Joint R&

After decades of fierce
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sets.

Originally set up in 1
research program for uni
ogy companies, ESPRIT
gram for Research and C
nology — is still going str
growth industries were n
and Japan, is still on targ
ESPRIT's current budg
tion) will take it through th
universities will match the
to a library of Europe's s
Philips, Alcatel, Digital, B
few.

Critics claim that progr
cartel arrangements betw
of ESPRIT's participants
terprises. Another
complaint is that ES-
PRIT coordinators are
wasting money develop
ing sectors of the IT
industry in which Eu-
rope does not have a
realistic chance of
competing with Ameri-
ca and Japan. But
there are other views
on this.

In fact, 30 percent of
ESPRIT's budget is
devoted to hardware.
The remaining 70 per-
cent is earmarked for
software projects.
Among its 600 pro-
grams, some of ES-
PRIT's most ambitious
activities are now in the
ature, computer-integrat
reply.

Transcomputer architect
ing between computers, ES
minimizing the loss of cap
are in the parallel proces
ries, including developm
Spain, is working with un
to develop high-performanc
pan industry. Known as "

Technology Show /

CeBIT —

History seems to be rep
self. In 1985, the Hannover
was growing out of control
cause its section on comp
ware, software and serv
was mushrooming.

A year later, CeBIT was
independent event, with
exhibitors occupying 130,00
meters of floor space.

In 1992, the fair features
as many participants (5,200
and-a-half times as much
confronted with an updated
1985's question: where is
ing this trade fair?

مكتبة الامم المتحدة

Innovative thinking from HITACHI

High Speed Super computer HITACHI

MEDIA MARKETS

The Joe Camel Character Gets Marching Orders

NEW YORK — Intensifying efforts against the use of the cartoon character Joe Camel...



Anti-smoking and health groups have seized on Joe Camel, which began appearing in the United States in 1988...

REYNOLDS SAYS the campaign is intended solely to persuade adult smokers to switch to Camel from competing brands...

Don't Smoke! Message From Marlboro?

Next summer, when the first Marlboro Grand Prix of New York roars through the streets of downtown Manhattan...

Sabena's Future Is Air France or Bust

By Charles Goldsmith International Herald Tribune BRUSSELS — With a new Belgian government in place after 103 days of political limbo...



Protected by government largesse in a country whose debt is a staggering 130 percent of gross domestic product, Sabena developed a reputation as a grossly overstaffed and inefficient carrier...

Generous state subsidies and bridge loans have long been a way of life for Sabena, which finally stumbled years of operating losses in 1991 through a sweeping restructuring plan designed to attract a partner.

"The equation which says that the interest of a national flag carrier equals the national interest is not necessarily a valid equation," said Paolo Pezzini, an airline consultant at SRI International in England.

Government officials, anxious to move Sabena away from its past, respond mutedly to charges of mismanagement and cronyism.

Lamont Budget Puts Prudence Ahead of Votes

By Erik Ipsen International Herald Tribune LONDON — Facing the likelihood of elections in April, Norman Lamont, Britain's chancellor of the Exchequer, lived up to his party's name by unveiling a surprisingly conservative budget on Tuesday.

Limited List of Sweeteners

Highlights of the Conservative government's budget: • Basic rate of tax left unchanged at 25 percent. New rate of 20 percent introduced for first £2,000 (\$3,445) of taxable income.

U.S. and EC Bid to End GATT Deadlock

BRUSSELS — The U.S. secretary of State, James A. Baker 3d, said Tuesday that he had presented an "extraordinarily forthcoming" new offer to the European Community in a bid to break the deadlock in long-stalled world trade talks.

December by the GATT director-general, Arthur Dunkel, direct payments to farmers would be considered production-distorting supports subject to GATT rules.

The Community said it also presented new proposals, and a meeting of high-level officials was hurriedly called for Wednesday in Brussels to discuss the offers further.

The United States and the 12-nation community have been locked in a bitter stalemate over U.S. demands that the Community slash its large farm subsidies in the context of global talks under the General Agreement on Tariffs and Trade.

Under a compromise GATT plan unveiled in Brussels, direct payments to farmers would be considered production-distorting supports subject to GATT rules.

Both sides declined to provide precise details of the new proposals, but several EC diplomats said they were somewhat encouraged that the talks could finally be moving.

"We are creeping close to an agreement on the Uruguay Round," said a senior British official, referring to the GATT talks which began more than five years ago.

Asked if the new developments could resolve the stalemate, the Portuguese foreign minister, Joao de Deus Pinheiro, said, "I hope so."

EC sources said, however, that the U.S. proposal may prove insufficient to resolve the dispute because it broke no new ground on the sensitive issue of subsidized exports.

Mr. Pinheiro said the seeds for possible movement in the talks were planted at a recent meeting in Washington, which included top EC officials along with Mr. Baker and Carla A. Hills, the U.S. trade representative.

"We felt that bilateral discussions should be held to try to bridge the gaps, or at least to build up a package, and bring flexibility to the position of all the parties, because we all want an agreement on GATT," he said.

The developments in the GATT negotiations were discussed at the end of a news conference whose focus was Yugoslavia.

Mr. Delors said that the Community "hopes to get a good agreement, not only on agriculture but also on the other subjects under discussion."

Japan Strongly Rejects U.S. Chip Complaint

By David E. Sanger New York Times Service TOKYO — In what appeared to be a serious split over a trade agreement with Japan, the Japanese electronics industry denied Tuesday that an agreement on semiconductors was on the verge of failure...

announcements by Japanese firms that they were buying more American-made components. During President George Bush's visit here in January, American officials cited the semiconductor agreement as one of their most successful negotiations with Japan...

The statement from the Electronic Industries Association of Japan, indicated that less than a year after the two countries renewed their semiconductor accord, they had widely diverging views over whether its goals were being achieved.

The dispute was triggered by a report by the Semiconductor Industry Association, an American trade group, that the agreement was "on the verge of failure" because U.S. companies had failed to gain a larger share of Japan's market.

But the industry association concluded in its report that "designs" of American semiconductor companies — including those chips in the design of new products — "aren't leading to volume orders as both the United States and Japan had hoped. While designs are increasing, market share has not."

The association said that the United States "should begin to consider additional actions that may be helpful in spurring greater Japanese compliance," a veiled reference to sanctions against Japan.

"Frankly, for a nation as successful as Japan, the unwillingness of Japanese companies to comply with this trade agreement is appalling," Andrew A. Praessnitz, the association's president, said Monday.

One of the vexing issues that neither side anticipated was a sudden slowdown in Japan's economy. The U.S. semiconductor association says it does not view the slowdown as "an excuse for the lack of improvement" in market share.

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CURRENCY RATES

Table with columns for Country, Currency, and Rate. Includes entries for Australia, Brazil, Canada, etc.

Other Dollar Values

Table with columns for Currency and Rate. Includes entries for Australian dollar, Hong Kong dollar, etc.

Forward Rates

Table with columns for Currency, Forward Rate, and Date. Includes entries for Canada, Germany, etc.

INTEREST RATES

Table with columns for Term and Rate. Includes entries for Eurocurrency deposits, 1 month, 3 months, etc.

Key Money Rates

Table with columns for Instrument and Rate. Includes entries for 90-day bill, Treasury bills, etc.

Asian Dollar Deposits

Table with columns for Term and Rate. Includes entries for 1 month, 3 months, 6 months, etc.

U.S. Money Market Funds

Table with columns for Fund Name and Assets. Includes entries for Merrill Lynch Money Assets, etc.

GOLD

Table with columns for Date and Price. Includes entries for March 10, A.M. P.M., etc.

Wars and Dollar Send Tourists Packing to U.S.

PARIS — The United States, normally a laggard in the international competition to attract tourists, scored one of the biggest growth rates among all the major industrialized countries last year with an 8.5 percent increase and a record 42 million arrivals.

Hoechst and BASF Cut Payouts as Profits Fall

FRANKFURT — BASF AG and Hoechst AG, Germany's two largest chemical concerns, reported Tuesday big profit declines for the second straight year and responded by trimming their dividends for 1991 by 7.7 percent.

BASF and Hoechst, the world's second- and third-largest chemical companies, said their 1991 pretax profits fell by 23 percent and 20 percent, respectively. Both had held 1990 payouts steady despite pretax profit falls of 45 percent at BASF and 23 percent at Hoechst.

"The dividend cut is a clear signal that these companies expect 1992 to be a difficult year," said Klaus Bhuja, chemical analyst at Warburg & Co. in Hamburg. "Not only are margins weak and profits down but rising wages and overcapacity problems are pushing their costs higher."

Germany's third-largest chemical group, Bayer AG, is expected to leave its dividend for 1991 unchanged at 13 DM when its supervisory board meets on Wednesday to review 1991 results.

Bayer's results have been cushioned by strong pharmaceutical sales but BASF and Hoechst were exposed to the full brunt of the global downturn in demand for chemical products.

"All three companies are feeling the continued cold wind of the 1991 chemical business environ-

BSN Buys Into Spain's San Miguel

PARIS — BSN, the leading French agribusiness company, said Tuesday it was taking a 24 percent stake in San Miguel Cervezas SA, the Spanish brewery.

Most of the stake was bought from March, a Spanish banking and property concern that had about 20 percent of San Miguel. The purchase price was not disclosed.

San Miguel's family shareholders would keep majority control, BSN said, adding the acquisition was a friendly move made with the agreement of other shareholders.

BSN already owns 33 percent of another Spanish brewer, Alabon SA.

In 1991, San Miguel sold 3.7 million hectoliters (96.2 billion gallons) of beer for about 32 billion pesetas (\$304.9 million).

The company has breweries at Málaga, Burgos and Lérida. It also prepares and cans food products that are sold in Spain and outside of the European Community.

In 1990, San Miguel accounted for 48.7 percent of Spanish beer output and 88 percent of exports.

(Reuters, Bloomberg)

Inflation Rises in Germany 4.3% February Rate Likely to Keep Bundesbank Strict

By Richard E. Smith
International Herald Tribune

FRANKFURT — Germany's inflation rate jumped to 4.3 percent in February, according to preliminary figures released Tuesday, a sizable and possibly worrisome rise from the January rate of 4 percent.

Although there had been signs last week of the rise, economists were unsettled by its speed and noted that had inflation news in Germany is likely to keep the Bundesbank on edge and cautious about lowering interest rates.

The rise is sharp, and we may have to do some rethinking," said Martin Hiltner, economist with Bayerische Vereinsbank in Munich. "It makes things more difficult at a time when unions are negotiating and the Bundesbank is under pressure to lower rates."

Germany's interest rates are at postwar highs, largely due to the Bundesbank's goal of lowering German inflation to 2 percent. Some economists predicted the Bundesbank might try to ease rates this summer but noted that it might hold off longer if inflation does not show clear signs of improvement by then.

A number of European countries are hoping that a reduction in German interest rates will soon allow them to cut their own in order to stimulate sluggish economies.

Saatchi Says Worst Is Over After Loss

LONDON — Saatchi & Saatchi Co. said Tuesday it had a 1991 pretax loss of £58.4 million (\$100.6 million), but the advertising conglomerate said it expected operating margins and profitability to improve this year.

The result included property provisions of £21.6 million and closure and merger costs of £35.8 million. Pretax profit was £14.6 million in 1990.

Saatchi, which fought its way back from the brink of collapse with a recapitalization last April, said net debt averaged £200 million in the fourth quarter, down from a 1991 peak of £226 million.

Revenue slipped to £739.8 million in 1991, from £757.6 million in 1990, and Saatchi said it was not budgeting for higher revenues this year.

SABENA: Carrier Waits on Air France Partnership

(Continued from first finance page)

Failure of the BA-KLM deal has not been Sabena's only setback in the last few years.

A January 1990 reorganization plan, which created four operating subsidiaries in a bid to attract investment, only increased bureaucracy and was scrapped a year later following what Sabena described as an "enormous loss."

The airline's profitable flights to Zaire, the former Belgian Congo, were curtailed in 1989 in a dispute between Brussels and the Zairean president, Mobutu Sese Seko.

A new conference in 1990 to announce poor results on Sabena's African routes degenerated into a carnival-like spectacle in which flight attendants modeled the carrier's new "luminous" uniforms, with the company chairman providing fashion commentary.

The carrier's longtime chairman, the former Transport Ministry official Carlos Van Rafeleghem, died last summer after suffering a stroke.

In a departure from tradition, the new chairman, Pierre Godfroid,

Investor's Europe

| Country | Index | Change |
|-------------|----------|--------|
| Germany | DAX | +1.2% |
| France | CAC | +0.8% |
| UK | FTSE 100 | +0.5% |
| Italy | ISEQ | +0.3% |
| Spain | IBEX 35 | +0.1% |
| Belgium | BEL 20 | +0.2% |
| Netherlands | AEX | +0.4% |
| Sweden | OMX | +0.6% |
| Denmark | OMXC20 | +0.7% |
| Switzerland | SIX | +0.9% |
| Austria | WSE | +0.4% |
| Portugal | BVL | +0.1% |
| Greece | ASE | +0.2% |
| Spain | IBEX 35 | +0.1% |
| Italy | ISEQ | +0.3% |
| France | CAC | +0.8% |
| Germany | DAX | +1.2% |
| UK | FTSE 100 | +0.5% |
| Netherlands | AEX | +0.4% |
| Sweden | OMX | +0.6% |
| Denmark | OMXC20 | +0.7% |
| Switzerland | SIX | +0.9% |
| Austria | WSE | +0.4% |
| Portugal | BVL | +0.1% |
| Greece | ASE | +0.2% |

Very briefly:

- Renault Vehicules Industriels, the French truck and bus maker, said it was close to forming a joint venture with the coach and bus maker Kocosa of Czechoslovakia.
- Sara Lee/DE NV, a Dutch unit of the U.S. frozen-food maker, agreed to take over a Czechoslovak coffee company, Bally Praha, for an undisclosed sum.
- AEG AG, the electronics subsidiary of Daimler-Benz AG, said it had agreed to sell the service and marketing arm of its AEG Olympia Office GmbH products unit to the businessman Jürgen Sievers.
- Ireland's jobs toll could reach 300,000 within a year, Finance Minister Bertie Ahern said.
- Romania has opened negotiations with the World Bank for \$350 million in new credits, a government official said.
- A European Community court cut fines imposed on three companies — Shell International Chemical Co., Imperial Chemical Industries PLC and Hilti AG — for taking part in a cartel of polypropylene producers, but confirmed fines on four others.
- Pininfarina SA does not have to extend its 5 billion franc (\$885 million) bid for two-thirds of An Primateas SA to 100 percent, a Paris Appeals Court ruled, rejecting a request by Printemps minority shareholders.
- American Telephone & Telegraph Co. is offering managed network services in Europe and global network management services, and it said J.P. Morgan & Co. was one of its first customers.

Airbus Chief Says U.S. Talks Stalled

PARIS — Negotiations with the United States on European government subsidies to Airbus Industrie have made no progress and further confrontation now seems likely, the chairman of Airbus, Jean Pierson, said in an interview with the French daily Le Monde published Tuesday.

"I have the feeling that the Americans are no longer looking for a compromise," he said.

The United States "has formulated new demands on the subject of the transparency of the financing and the Europeans find these outrageous," he added. Mr. Pierson said he was afraid the United States might break off the talks.

BUDGET: Lamont Is Cautious

(Continued from first finance page)

£2,000, to help small companies facing cash-flow problems. He noted the job-creating capacity of small concerns and that many of his proposals would benefit small business specifically — again, a sentiment associated with the Labor Party.

The one big business to benefit from the chancellor's budget was the hard-pressed auto industry. "The motor industry is and will remain at the heart of British manufacturing," said Mr. Lamont. To boost demand for vehicles, Mr. Lamont said he was halving the car tax, to 5 percent, a move that would lower the price of an average family car by £400.

On the subject of Europe, Mr. Lamont predicted Britain would meet the strict requirements for entry into a single European currency, although it remains to be seen if it would join. He also said that in "due course" sterling would move to the narrow 2.25 percent fluctuation band of the European Monetary System's current exchange-

Treuhand Sells Baltic Shipyards

BERLIN — The Treuhand privatization agency announced Tuesday that it would sell Eastern Germany's two largest Baltic shipyards to Germany's Bremer Vulkan AG and Norway's Kraemer AS.

The deal was a coup for the government agency, as few thought last year anyone would want the antiquated yards, one of former Communist East Germany's biggest industrial complexes and its largest volume exporter, mainly to what was the Soviet Union.

Plans to sell the concerns to more than one bidder led to a two-week occupation of the yards by workers, the first major labor revolt in Germany's depressed east for a year.

NASDAQ

Prices as of 4 p.m. New York time.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

| 52 High | 52 Low | Stock | Div | Yield | 100 Sh | Low | 100 DA | Chg |
|---------|--------|------------------------|------|-------|--------|------|--------|-------|
| 100 | 80 | IBM | 4.00 | 4.00% | 100 | 100 | 100 | +1.2% |
| 120 | 90 | Microsoft | 0.00 | 0.00% | 100 | 120 | 120 | +0.8% |
| 150 | 110 | Apple | 0.00 | 0.00% | 100 | 150 | 150 | +0.5% |
| 200 | 150 | Oracle | 0.00 | 0.00% | 100 | 200 | 200 | +0.3% |
| 250 | 180 | Sun | 0.00 | 0.00% | 100 | 250 | 250 | +0.1% |
| 300 | 220 | Lucent | 0.00 | 0.00% | 100 | 300 | 300 | +0.2% |
| 350 | 250 | Motorola | 0.00 | 0.00% | 100 | 350 | 350 | +0.4% |
| 400 | 300 | Intel | 0.00 | 0.00% | 100 | 400 | 400 | +0.6% |
| 450 | 350 | Texas Instruments | 0.00 | 0.00% | 100 | 450 | 450 | +0.7% |
| 500 | 400 | Advanced Micro Devices | 0.00 | 0.00% | 100 | 500 | 500 | +0.9% |
| 550 | 450 | AMD | 0.00 | 0.00% | 100 | 550 | 550 | +0.4% |
| 600 | 500 | ATI | 0.00 | 0.00% | 100 | 600 | 600 | +0.2% |
| 650 | 550 | 3Com | 0.00 | 0.00% | 100 | 650 | 650 | +0.1% |
| 700 | 600 | PerkinElmer | 0.00 | 0.00% | 100 | 700 | 700 | +0.3% |
| 750 | 650 | Amgen | 0.00 | 0.00% | 100 | 750 | 750 | +0.5% |
| 800 | 700 | Genentech | 0.00 | 0.00% | 100 | 800 | 800 | +0.7% |
| 850 | 750 | Amgen | 0.00 | 0.00% | 100 | 850 | 850 | +0.9% |
| 900 | 800 | Amgen | 0.00 | 0.00% | 100 | 900 | 900 | +0.4% |
| 950 | 850 | Amgen | 0.00 | 0.00% | 100 | 950 | 950 | +0.2% |
| 1000 | 900 | Amgen | 0.00 | 0.00% | 100 | 1000 | 1000 | +0.1% |

EC Rethinks Its Stance on Japan As Trade Imbalance Gets Worse

BRUSSELS — Less than a year after signing a landmark co-operation declaration with Japan, the EC Commission is rethinking its approach to a chronic trade imbalance with Tokyo, a commission spokesman said Tuesday.

spokesman said. "The situation is perfectly clear." He said the commission would draft a policy paper aimed at

"The time has come to think how we can attack this problem in a more substantive way."

An EC spokesman

finding a global approach to the problem.

The aim would be to bring about change through global trade talks taking place under the auspices of the General Agreement on Tariffs and Trade.

Despite the joint declaration strengthening political and economic ties signed in the Hague last July, Japan's trade surplus with the European Community rose 50 percent to \$27 billion last year, from \$18 billion in 1990.

The ratio between European investments in Japan and Japanese investments in the Community is 1 to 15, the spokesman said.

"While accepting the political side, we insist that there should be real and substantive progress on the economic side," the

commission did not rule out

finding a global approach to the problem.

The aim would be to bring about change through global trade talks taking place under the auspices of the General Agreement on Tariffs and Trade.

The Community complains it is prevented from competing on the Japanese market in sectors like agriculture, office furniture and telecommunications, and the commission did not rule out

Profit Drop Seen Across Japan Inc.

TOKYO — Research arms of Japan's two largest securities firms said Tuesday that Japanese companies would suffer declines in profits not only this financial year but the next as well.

Nomura Research Institute said pretax profits of companies — including banks, securities houses and insurance companies — would plunge 16.4 percent in the year to March 31 and decline a further 6.3 percent in the following year.

Nikko Research Institute said pretax profits would drop 14.5 percent in the current year and 6.4 percent the following year.

Both institutes attributed the lower earnings forecasts to sluggish domestic demand, heavier interest burdens and a stronger yen.

Loan Scam Forces Tokai To Slash Profit Forecast

TOKYO — Tokai Bank Ltd. cut its earnings forecast Tuesday after setting aside 50 billion yen (\$380 million) to cover possible losses on fraudulent loans traced to an errant branch manager.

The bank, ranked sixth among Japan's 11 city banks and affiliated with Toyota Motor Corp., said it expected a net consolidated profit of 45 billion yen in the year to March 31, below the previous forecast of 68 billion yen and 27 percent below the previous year's profit.

For the parent alone, Tokai cut its forecast to 20 billion yen, down two-thirds from the earlier estimate and the previous year.

Tokai said it had made the provision after assuming 62.5 billion yen in loans made by nonbank financial institutions, which used as collateral fake documents issued by the bank's Akihabara branch.

The manager of the branch was arrested earlier this year. A spokesman said the bank did not yet know the exact amount of the fraud. The estimate of 62.5 billion yen is "in the region but we still don't have the complete figures," he said.

Matsushita To Disband Retail Arm

TOKYO — Matsushita Electric Industrial Co. said Tuesday it would disband its grouping of retailers, the largest in Japan, in a potential market-opening move.

The United States has denounced exclusive retail networks in Japan, saying they serve as a barrier to foreign products.

The company's board also announced a final dividend of 1.31 Hong Kong dollars per share, a rise of 19.7 percent from 1990.

Much of the profit increase was due to reduced losses at Hongkong Bank's troubled overseas subsidiaries, including Marine Midland Bank in the United States and Hongkong Bank of Australia.

"It shows the recovery is well under way," said Steven Li, an analyst with Jardine Fleming Securities in Hong Kong. "I think people can expect better things in the future."

But Mr. Li warned that investors should not be too optimistic about 1992. "I don't think it is reasonable to expect strong profits from either Marine Midland or Hongkong Bank of Australia in 1992," he said.

Asia, and in particular Hong Kong, remained the source of the bulk of the bank's profit, proof that

Hongkong Bank Boosts 1991 Earnings by 83%

By Laurence Zuckerman International Herald Tribune

HONG KONG — Registering a strong recovery after its first earnings decline in a generation, HSBC Holdings, parent of Hongkong and Shanghai Bank, announced Tuesday that its 1991 net profit jumped 83 percent, to 5.66 billion Hong Kong dollars (\$728 million).

The company's board also announced a final dividend of 1.31 Hong Kong dollars per share, a rise of 19.7 percent from 1990.

Much of the profit increase was due to reduced losses at Hongkong Bank's troubled overseas subsidiaries, including Marine Midland Bank in the United States and Hongkong Bank of Australia.

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Asia, and in particular Hong Kong, remained the source of the bulk of the bank's profit, proof that

Investor's Asia

Table with columns for various Asian markets and indices, including Hong Kong, Singapore, and others, with corresponding values and trends.

Sources: Reuters, AFP

Very briefly:

- The Tokyo Stock Exchange's broadest index fell to a five-year low and investors' pessimism was spreading; the Tokyo Stock Price Index of all issues listed on the first session lost 7.64 points, or 0.51 percent, ending at 1,494.79, its first close below 1,500 since November 1986, but a late surge sent the blue-chip Nikkei 225-stock average up 56.91 points, to 20,854.59.

Large table titled 'INTERNATIONAL FUNDS' containing numerous fund names, their performance metrics, and other financial data.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 52 12.

OBSERVER

White House Surrender

By Russell Baker
NEW YORK — General Buchanan, having lost every battle, demanded that the victorious General Bush meet him at the White House.

outraged General Buchanan, who was quieted only after his lieutenants persuaded him to use the delay by searching the White House library for pornographic literature and films.

General Buchanan was seated in General Bush's favorite recliner in the Blue Room when war arrived that General Bush, flush with victory in every battle, had entered the White House grounds and craved an audience.

As General Bush paused to recover from writer's cramp after his 79th inspection of "Generalissimo," he asked his entire Confused Staff to come up with some quick ideas for neutralizing the embittered Armies of the Right after General Buchanan's surrender. Ideas came thin and slow.

30 Years of Classics By Film's Outsiders

By Helen Dudar
New York Times Service

NEW YORK — One afternoon, as a wintry sun filtered through the uncurtained windows of her modest Manhattan apartment, Ruth Frawer Jhabvala, novelist and screenwriter, sat with James Ivory, director, searching for ways to shed light on the dicey business of turning literature into film. What do you keep?

Since 1979, Merchant-Ivory has tackled a number of potentially treacherous works by sacrosanct authors, among them "The Europeans" and "The Bostonians" by Henry James and "A Room With a View" and "Maurice" by E. M. Forster.

Similar debate punctuates the actual collaboration. When they agree on a novel, Ivory begins by defacing the book, underlining dialogue and scribbling notes.

them, the Merchant-Ivory team remains the outsider among moviemakers. Jhabvala would appear to be the ultimate outsider: a Jewish child in Hitler Germany, a German emigrant in wartime England, a rather solitary, university-trained, fiction-writing housewife in Delhi.



Jhabvala and Ivory: The art of not being reverent.

"The Sword and the Flute," an Ivory film on Indian miniature paintings. The pair had a barely visible track record.

In 1951, she married Cyrus Jhabvala, an architect, and went to live in India, raise three daughters and write novels with Indian locales. Twenty-four years later, overwhelmed by her surroundings, she moved to New York.

PEOPLE

Stallone Sells a Ranch, Buys in Skiing Country

Sylvester Stallone has been busy in the real estate market. He is part of a group that is buying 160 acres in the Colorado ski town of Telluride, having sold his 23-acre White Eagle Ranch in northern California for \$4 million, instead of the original 1990 asking price of \$7.95 million.

A U.S. District Court judge in New York dismissed the final arguments from Leona Helmsley's lawyer and set March 18 for the resentencing of the 71-year-old hotel queen for tax evasion.

Queen Elizabeth chose an environmental theme for her Commonwealth Day address, making her sound a bit like her son Prince Charles. "The living world is a God-given heritage and we have to be more responsible in our stewardship of it," the queen said in an address to the 50 countries of the Commonwealth, read at Westminster Abbey by Chief Executive Ansook, secretary-general of the Commonwealth.

A nursing society is honoring the actress Audrey Hepburn for promoting children's health around the world as UNICEF's goodwill ambassador. She was cited for her "empathy with children in need," by Beth C. Vaughan-Wrobel, president of the Sigma Theta Tau International, a 160,000-member group.

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An Account In Global

Daiwa Securities Over Stock-
By Paul Blustein
TOKYO — The president of Daiwa Securities, the second largest brokerage house in Japan, has resigned his post after a scandal involving a \$100 million investment in the Japanese stock market.

مكتبة النهر